GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:3323
ANSWERED ON:10.12.2001
VISVESHVARAYA IRON AND STEEL LIMITED
H.G. RAMULU

Will the Minister of STEEL be pleased to state:

(a) the date on which the Visveshvaraya Iron and Steel Limited, Bhadravathi was taken over by Steel Authority of India Limited (SAIL);

(b) the amount spent by SAIL for upgradation and modernisation of the above plant since its takeover;

(c) whether SAIL is trying to sell the above unit;

(d) if so, the reasons therefor;

(e) the total accumulated losses of the above unit; and

(f) the steps proposed to be taken by the Government to modernise and upgrade the said plant?

Answer

MINISTER OF STATE FOR STEEL (SHRI BRAJA KISHORE TRIPATHY)

(a) Visvesvaraya Iron and Steel Limited (VISL) became a subsidiary of Steel Authority of India Ltd. (SAIL) in 1989 with SAIL acquirin majority shares. Later, VISL was merged with SAIL in December, 1998, in public interest, under Section 396 of the Companies Act by Govt. of India.

(b) Rs. 171.98 crore has so far been spent by SAIL on upgradation and modernisation of VISL since its take over.

(c)&(d): Since SAIL has decided to focus only on its core activities, and with a view to make VISL viable, SAIL has taken steps to convert VISL into a joint venture with an appropriate partner.

(e) The total accumulated losses of VISL as on 31.3.2001 are Rs.233.23 crore.

(f) Government have no proposal to modernise and upgrade the plant, though this would be done by SAIL consequent to the formation of the joint venture.